

STATE OF CALIFORNIA
CAPITAL OUTLAY
BUDGET CHANGE PROPOSAL (COBCP)
COVER PAGE (REV 03/04)

DEPARTMENT OF FINANCE
915 L Street
Sacramento, CA 95814
IMS Mail Code: A15

BUDGET YEAR 2007-08

ORG CODE: 3845 COBCP NO. 07/08:04 PRIORITY: 4 PROJECT ID: 38-07-040

DEPARTMENT: San Diego River Conservancy

PROJECT TITLE: Water Quality and Natural Flood Conveyance

TOTAL REQUEST (DOLLARS IN THOUSANDS): \$569 MAJOR/MINOR: MA

PHASE(S) TO BE FUNDED: Various PROJ CAT: _____ CCCI/EPI: _____

SUMMARY OF PROPOSAL:

Appropriate to the San Diego River Conservancy the remaining \$569,000 (five hundred and sixty nine thousand dollars) balance of the unallocated unappropriated portion of Proposition 40 Section 5096.610 (c) for improvement of beaches, watersheds and water quality (available for multiple departments).

The purpose of the requested appropriation is to advance the Conservancy's *Water Quality and Natural Flood Conveyance Program* by funding high priority projects which protect and improve the beaches, watersheds, and water quality within the San Diego River Area. Specifically the funds will be used to conduct a comprehensive Hydrology Assessment of the San Diego River Watershed and to create a set of tools to provide decision-makers with the information needed to make informed land use decisions and policy. The Hydrology Assessment will be conducted in coordination with several Conservancy partners who will contribute both expertise and funding to the project, ensuring that the requested appropriation is well leveraged.

The Conservancy is relatively new and has never had its own capital outlay/local assistance appropriation with which to conduct its statutory mission (Capital Outlay Budget = \$0). Application is currently underway for the entire remaining balance of the original Prop 40 River Parkways appropriation earmarked for the San Diego River (which is a line-item in the Resources Agency's budget). In addition the Conservancy has, is, and will continue to actively seek funding from numerous other state, federal, local, and private funding sources as described in Section A below (and detailed in Appendix 1).

HAS A BUDGET PACKAGE BEEN COMPLETED FOR THIS PROJECT? (E/U/N/?): N

REQUIRES LEGISLATION (Y/N): N IF YES, LIST CODE SECTIONS: _____

REQUIRES PROVISIONAL LANGUAGE (Y/N) _____

IMPACT ON SUPPORT BUDGET: ONE-TIME COSTS (Y/N): ___ FUTURE COSTS (Y/N): ___

FUTURE SAVINGS (Y/N): ___ REVENUE (Y/N): ___

DOES THE PROPOSAL AFFECT ANOTHER DEPARTMENT (Y/N): ___ IF YES, ATTACH COMMENTS OF AFFECTED DEPARTMENT SIGNED BY ITS DIRECTOR OR DESIGNEE.

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SIGNATURE APPROVALS:

PREPARED BY DATE

REVIEWED BY DATE

DEPARTMENT DIRECTOR DATE

AGENCY SECRETARY DATE

DOF ANALYST USE

DOF ISSUE # _____ PROGRAM CAT: _____ PROJECT CAT: _____ BUDG. PACK STATUS: _____
ADDED REVIEW: SUPPORT: _____ TIRU: _____ FSCU: _____ OSAE: _____ CALSTARS: _____

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Using the attached page, follow the format outlined below and fully address all of the items. Use addition pages as needed. Certain projects may require additional information. Questions should be referred to DOF.

A. PURPOSE OF THE PROJECT: (problem, program need, infrastructure deficiency)

Purpose

This proposal requests appropriation to the San Diego River Conservancy (Conservancy) the remaining balance of \$569,000 of the unallocated, unappropriated portion of Proposition 40 Section 5096.610(c) funds¹. This section of Proposition 40 is designated for the improvement of beaches, watersheds and water quality but is not designated to a particular agency. The San Diego River Conservancy requests this appropriation for the purpose of funding projects to protect and improve beaches, watersheds, and water quality within the San Diego River Area.

Problem

The San Diego River Conservancy has a clear statutory mandate, a recently adopted Five Year Strategic and Infrastructure Plan, a newly established *Water Quality and Natural Flood Conveyance Program*, and plans for the design and conduct of a comprehensive Hydrology Assessment of the San Diego River Watershed (Assessment). The Conservancy however has never had funding appropriated to its Capital Outlay Budget with which it can conduct its statutory mission and its *Water Quality and Natural Flood Conveyance Program*.

A secondary problem is the Conservancy's lack of readily available flexible funds to cover the necessary upfront costs of acquisitions and other projects (e.g., options, appraisals, Phase 1 site assessments, DGS/PWB approvals, etc.). Money designated for this Hydrology Assessment is being used to the pay up front costs of on-going acquisitions because it is currently the only readily available source of flexible funds that the Conservancy can access for this purpose.

Program Need and Nexus to Prop 40

1) Design and Conduct Hydrology Assessment

Decision-makers are routinely asked to evaluate various types of proposed projects (e.g., development, redevelopment, maintenance, restoration, enhancement, and repair) within the San Diego River Watershed (Watershed) without sufficient information to assess the potential impacts of the proposed project. Currently hydrology assessments are completed on a project-by-project basis without adequate consideration to up- and down-stream impacts and without assessment of overall cumulative impacts. Because different models are used, it is difficult, or impossible, to compare individual project impacts or to accurately evaluate overall cumulative impacts to the watershed.

Over the past fifty years this piece meal approach to urban development along the San Diego River, particularly within Mission Valley, has resulted in significant degradation of water quality and significant increases in urban flooding. Despite these growing problems, development in the floodplain of the San Diego River continues under enormous development pressure. The pressure is driven by the escalating value of the properties adjacent to the River and decreasing remaining developable land along the River, as well as throughout the watershed. Engineering modifications have been made to the River (e.g., deepening and narrowing of the channel and

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filling in of the floodplain) in order to maximize the developable land for housing and other urban development (encouraging development up to the River's edge).

The purpose the proposed Hydrology Assessment is to create a tool, or set of tools, to perform uniform system-wide hydrologic evaluations of the San Diego River Watershed. The Assessment will include evaluation of current base-line conditions in the River and the development of a set of tools (predictive models) that predict the long-term cumulative water quality and hydrologic consequences of a proposed project (or build out scenario). This comprehensive assessment will evaluate surface water hydrology, surface water hydraulics, surface water quality, sediment transport, groundwater hydrology, groundwater hydraulics and groundwater quality. The Assessment will provide the basic underlying information that is needed and will serve as the foundation for the overall *Hydrology Water Quality and Natural Flood Conveyance Program*.

The analysis will allow decision-makers to "see" the long-term cumulative hydrology and water quality consequences of their decisions (before the project is built), thereby allowing them to make informed land use planning and project approval decisions. The models created from this Assessment will be available for use by the Conservancy and its partners in evaluating all future River projects. The Analysis implements and initiates the Conservancy's *Hydrology Water Quality and Natural Flood Conveyance Program* and is fully consistent with the Conservancy's Five Year Strategic and Infrastructure Plan as discussed in Section B below.

2) Initiate Conduct of Projects Recommended in the Hydrology Assessment

The Hydrology Assessment is intended only as the necessary first step in the Conservancy's overall *Water Quality and Natural Flood Conveyance Program*. The Assessment will include a set of follow-up recommendations that will serve to set the overall direction and priorities for the Program (i.e., subsequent Program projects will implement or otherwise advance the recommendations resulting from the Assessment). Any monies remaining from this requested appropriation will be used to initiate/implement the follow-up projects recommended in the Hydrology Assessment. Although currently unknown, there are several likely follow-up projects including a comprehensive restoration effort of the San Diego River Estuary and the possible replacement of all Mission Valley culvert road crossings with all weather bridges,

Conservancy's Total Fiscal Need

To put this \$569,000 request in perspective, the Conservancy's recently adopted Five Year Strategic and Infrastructure Plan estimates the Conservancy's total capital outlay funding need at approximately **\$164.5 million**². This is the estimate of the total cost for the Conservancy to conduct its statutory mission over the upcoming five year planning period. It is based on the projected costs of conducting the Conservancy's four major Programs and 30 implementing Projects.

The initial costs estimates for the Hydrology Assessment alone range from \$400,000 to over \$500,000 which can be adequately covered by the balance of the Prop 40 Section 5096.610(c) monies. It is important to understand that this initial investment represents only a small fraction of the total funding that will be needed to conduct the overall *Hydrology Water Quality and Natural Flood Conveyance Program*, since most of the needed funds will pay for the subsequent

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conduct of the recommended projects (which are unknown at this time). Any monies remaining from this requested appropriation will be used to initiate/implement the follow-up projects recommended in the Hydrology Assessment.

Past and Future Conservancy Efforts to Secure Funding

Although the San Diego River Conservancy is still in its infancy, it has already taken significant steps to secure funding (or related budget authority) necessary to conduct its mission. See Appendix 1 for discussion of Conservancy's efforts to secure funding.

\$240,000 Special Deposit Fund Account

The Conservancy has successfully secured a \$240,000 award from the City of San Diego as mitigation for alleged discharges of sewage into the San Diego River.³ These funds are currently earning interest in a Special Deposit Fund Account and can be used for capital outlay purposes. The Governing Board has formally designated these funds as seed money to initiate the Conservancy's comprehensive Hydrology Assessment of the San Diego River Watershed which is currently in the early design stages. Portions of the \$240,000 however are currently being used to cover the upfront costs of on-going acquisitions (White property, Anderson property, etc.) as this is the only source of funds that the Conservancy can access for this purpose. This practice will necessarily continue until the Conservancy is able to secure an alternate source of readily available funds to cover the up front costs needed to advance its acquisitions and other projects. Without funds to cover required up front costs, the Conservancy will miss opportunities and not be able to move forward with Acquisitions and other projects.

Reimbursement Authority and Federal Trust Fund

In addition, the Conservancy has applied for several state and local grants and other funding opportunities. In anticipation of receiving such funds, the Conservancy requested and was granted \$500,000 of Reimbursement Authority. The Conservancy has also applied for three federal appropriations. In anticipation of receiving federal funding, the Conservancy is concurrently submitting another COBCP requesting Federal Trust Fund Authority (this overall packet contains a total of seven COBCPs).

Consequences of Not Granting this COBCP

If the funding for this Water Quality and Natural Flood Conveyance COBCP is not awarded, water quality improvements would not occur and water quality could continue to decline. Opportunities to comprehensively address flooding in the River valley would not occur, and potential loss of life and property might occur.

Measures of Success

Successful use of the requested appropriation will be measured in terms of

- Completion of the Hydrology Assessment and development of set of recommendations for future Program projects.

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Additional Important Information in Appendices

In order to keep the body of this document concise and focused, I have provided two important Appendices with relevant additional information for your consideration.

Appendix 1

Appendix 1 provides information on each of the following topics:

Past and Future Conservancy Efforts to Secure Funding

- *Two 2007 Federal Appropriation Requests*
- *Supplemental Environmental Project (SEP) to Local Transit District*
- *Cave's Water and Parks Private Initiative for Nov 2006 Ballot*
- *Resources' Prop 40 River Parkways Funds for San Diego River (\$3 million)*
- *Plans for Resources' Remaining \$5 million Prop 40 River Parkway Funds*
- *Support BCPs for 2007*
- *Reimbursement Authority*
- *Federal Appropriation for FY 2006*
- *Consolidated Grant, State Water Resources Control Board*
- *Prop 50 Integrated Regional Water Management Plan (IRWMP)*
- *Southern California Wetlands Recovery Project (SCWRP)*

Why Should Funds be Appropriated to the San Diego River Conservancy?

- *Strong Partner Support / Highly leveraged*
- *Demonstrated Need*
- *Specific-Purpose Prop 40 Funds Match Conservancy Needs*
- *Strong Public Support*
- *Allows Conservancy to Build Track Record*

Appendix 2

Appendix 2 provides the big picture overview of the Conservancy's total COBCP Request including:

Background: Information about Conservancy's statutory mission, Five Year Plan, four major Programs and 30 implementing projects.

Map: Newly developed GIS based map of the San Diego River Watershed identifying the Conservancy's statutory jurisdiction and major River reaches.

Table 1: Summary table of all seven COBCPs included in this year's COBCP package and requesting a total of \$6.5 million.

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B. RELATIONSHIP TO THE STRATEGIC PLAN: (relevance of problem/need to mission and goals).

The San Diego River Conservancy has full authority to conduct the project(s) proposed in this COBCP. This COBCP is entirely consistent with, and in furtherance of, the Conservancy's enabling statute, statutory mission and objectives, and the "*San Diego River Conservancy's Five Year Strategic and Infrastructure Plan 2006-2011*"⁴ (Plan). Specifically, the Hydrology Assessment and any recommended follow-up projects identified in Section A above and others of a similar nature, effectively implement the Conservancy's *Water Quality and Natural Flood Conveyance Program* and its Project 1 (See page 42 of Plan).

Water Quality and Natural Flood Conveyance COBCP

This COBCP is fully consistent with the Conservancy's *Water Quality and Natural Flood Conveyance Program*, one of its four major programs. The statutory objective implemented by the Water Quality and Natural Flood Conveyance Program is "*Provide protection and maintenance of the quality of the waters in the San Diego River for all beneficial uses, and provide natural floodwater conveyance*".

The five year goal of the *Water Quality and Natural Flood Conveyance Program* is "*to promote and implement projects which maintain and improve the water quality and natural flood conveyance of the San Diego River*".

The *Water Quality and Natural Flood Conveyance Program* is being implemented by way of its Project 1 as shown below:

Project 1: Complete Hydrology Assessment for San Diego River Watershed

Under Project 1, the Conservancy will work with its partners to create a predictive tool, or set of tools, to perform uniform system-wide hydrologic evaluations of the San Diego River Watershed and proposed projects. The evaluation will include water quality hydrology, hydraulics, groundwater sediment transport, etc.

C. ALTERNATIVES: (for each, describe the proposed alternative and provide a brief summary of scope, cost, funding source, program benefits, facility management benefits, and impact on support budget)

Alternative #1: Provide funding at recommended level of \$569,000 which is the remaining balance of the unallocated, unappropriated Proposition 40 Section 5096.610 (c) of funding which can only be used for the proposed purposes of protecting and improving beaches, watershed, and water quality as described in Section A above.

Alternative #2. Rely exclusively on existing local funds to address problem and need. This would mean that the stated public benefits would be greatly reduced since local funds are generally not available or are very limited at this time.

Alternative #3. Appropriate a lesser level of funding than requested for the purposes of the San Diego River Conservancy's *Water Quality and Natural Flood Conveyance Program*.

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Any amount of funding will be appreciated and used efficiently. However Proposition 40 5096.610 (c) funds can only be used for the protection of beaches, watersheds, and water quality and, at a minimum, should be appropriated to the San Diego River Conservancy for this purpose.

D. RECOMMENDED SOLUTION:

1. Which alternative and why?

The Conservancy is recommending alternative 1. The full amount requested is needed to conduct the Hydrology Assessment and create the predictive tools needed to allow decision-makers to make informed land use decisions. Use of the Prop Section 5096.610 (c) funds for this purpose will result in important multiple and direct public benefits to San Diego's land use decision makers, the residents of San Diego, San Diego River Conservancy and its partners, the San Diego River. This basic hydrology information is an essential to any comprehensive effort to protect the San Diego River and the need for it has been expressed by many of the important stakeholders in the River. It will provide the science based information the Conservancy and its partners all need to advance the common mission of protecting the River. It will also provide the basic information that policy makers need to shape informed policy and make informed decisions. In addition, the Hydrology Assessment and initiation of its recommended follow-up projects is totally consistent with the stated purpose of the Prop Section 5096.610 (c) funds. See also Appendix 1.

In evaluating this COBCP it is important to keep in mind that the Conservancy has in the past, is now, and will continue in the future to make a significant concerted effort to secure the capital outlay funding needed to conduct its *Water Quality and Natural Flood Conveyance* and other Programs. Such efforts are described in Appendix 1 of this document. The Conservancy is neither complacent nor relying upon State funding for the conduct of its mission. The Conservancy will continue to seek out and apply for any and every state, federal, local, and private funding opportunity that is appropriate and seen as a worthwhile investment of staff time to pursue.

2. Detail scope description.

Provide funding to the San Diego River Conservancy from Proposition 40 Section 5096.610 (c) for the purpose of undertaking projects to protect and improve beaches, watersheds, and water quality within the San Diego River Area. Specifically the funds will be used for the conduct of a much needed Comprehensive Hydrology Assessment of the San Diego River Watershed. Any additional or left over monies will be used to initiate the follow-up projects that are recommended in the Assessment, all of which will be designed for the purpose of protecting and improving beaches, watersheds, and water quality within the San Diego River Area.

3. Basis for cost information.

The cost estimate of approximately \$500,000 is based upon best available early estimates from experts, but they are necessarily preliminary in nature as the scope of the Assessment has not yet been designed.

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This proposal would use a limited amount of funds to provide large public benefits, but represents only a small portion of the Conservancy's overall fiscal need for its *Water Quality and Natural Flood Conveyance Program*. This COBCP represents an excellent match of the Conservancy's needs with the statutory purpose of the remaining Prop 40 Section 5096.610 (c) funds. These funds can not be allocated for any other purposes.

4. Factors/benefits for recommended other than the least expensive alternative.

This proposal requests a small amount of funds from a limited funding source that can only be used for the stated programmatic purposes. The requested appropriation represents only a very small fraction of the identified need. Less funding will address an even smaller fraction of the need and will realize commensurately less public benefit.

The predictive models and Assessment results will be available for use by the Conservancy's participating partners including the City of San Diego, San Diego River Park Foundation, Endangered Habitats League, Lakeside's River Park Conservancy, and others. The model and results will also be made available to other entities or state agencies that have a real use for the information such as the San Diego Regional Water Quality Control Board. Numerous entities have expressed a need for the information that will be provided by the Assessment. Funding at the requested level will encourage full participation and support by numerous Conservancy partners and help to ensure that's the State's investment is leveraged for maximum public benefit.

5. Complete description of impact on support budget.

There will be no impact on the Conservancy's support budget.

6. Identify and explain any project risks.

There are no risks associated with this type of conservation program.

7. List requested interdepartmental coordination and/or special project approval (including mandatory reviews and approvals, e.g. technology proposals).

No interdepartmental coordination, reviews or approval are required for the expenditure of these funds.

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End Notes:

¹

Unallocated Prop 40 Bond Funds

<http://www.4050bonds.resources.ca.gov>

Prop 40 Section	Public Resource Code	Department/Program	Available Balance
5096.610 (c)	5096.650 (c)(2)	(Multiple Departments): Beaches, Watershed, and Water Quality	\$569,000

² The total funding need was derived by estimating the costs of each program and implementing project. Project cost estimates were provided by the anticipated lead project partner and based upon best available and most current cost information. They are educated, reasonable, and location specific estimates but are not precise calculations.

³ The \$240,000 award was part of a larger settlement between the City of San Diego and the Regional Water Quality Control Board in 2005.

⁴ A copy of the Conservancy’s “Five Year Strategic and Infrastructure Plan, 2006-2011 is enclosed in this COBCP Request package and may also be accessed at <http://sdrc.ca.gov>. A copy of the Plan has previously been submitted to the Department of Finance.

Appendix 1

Past and Future Conservancy Efforts to Secure Funding

Two Federal Appropriation Requests for 2007

The Conservancy has submitted two requests for 2007 federal appropriations; one through the Department of Agriculture (via City of San Diego) and the second through the Department of Interior (via Congresswoman Susan Davis). In both cases, if successful, the funding would be appropriated to the Conservancy's local federal partner (i.e., the Cleveland National Forest and the Bureau of Reclamation) who would conduct the proposed projects on the behalf of the Conservancy. Both federal appropriations requests are pending.

Supplemental Environmental Project (SEP) to Local Transit District

The Conservancy has submitted an SEP application to the San Diego Metropolitan Transit District to obtain funding for the Conservancy's Hydrology Assessment of the San Diego River Watershed. Decision is pending.

Cave's Water and Parks Private Initiative for Nov 2006 Ballot

Although the Conservancy does not have its own specific line item appropriation in the Cave's initiative, it is eligible to receive significant funding from the State Coastal Conservancy under Chapter 7, Protection of Beaches, Bays and Coastal Waters (assuming voter approval). Section 75060(f) makes \$27 million available to the Coastal Conservancy for the protection of San Diego Bay and coastal watersheds.

The San Diego River Conservancy will submit well developed project proposals to the Coastal Conservancy requesting funding. The Conservancy will also request funding from the Wildlife Conservation Board. In addition, the Conservancy will submit competitive applications to the Resources Agency, State Water Resources Board, Department of Water Resources, Department of Parks and Recreation, and other departments for various pots of funding included in the initiative such as River Parkways, Urban Streams, etc. The Conservancy may also explore urban greening funds in the initiative.

Resources' Prop 40 River Parkways Funds for San Diego River -- \$3 million

Current status: Three applications, totaling approximately \$3 million, are currently under review by the Resources Agency.

When the Conservancy brought its Executive Officer on board in late April 2004, there was approximately \$7.8 million (of the original \$12 million) remaining in Resources' Prop 40 River Parkway line-item for the San Diego River. In September of 2004, the Executive Officer recommended and the Conservancy Governing Board unanimously approved three excellent projects and the use of approximately \$3 million in Prop 40 River Parkway funds to support them.

The Board requested the lead partner for each project to submit application directly to the Resources Agency for Prop 40 funding. The City of San Diego submitted two applications (bicycle path development project and habitat restoration project) and the San Diego River Park Foundation submitted one application (acquisition in headwaters). Both have also submitted additional requested information. The Conservancy has remained in contact with both the applicants and the Resources Agency throughout the review process. The Conservancy has and will continue to facilitate completion of the application review process in any way it can and within the shortest possible timeframe.

Current Plans for Resources' Remaining \$5 million Prop 40 River Parkway Funds

Current status: Application, totaling approximately \$5 million, is currently under development by the Conservancy and will be submitted to Resources ASAP.

The San Diego River Conservancy is currently preparing a multi-project, multi-partner application for the entire remaining \$5 million balance of Prop 40 River Parkway funds. The Conservancy's application(s), which will be submitted directly to Resources, requests Prop 40 River Parkway funds for the design and construction of multiple trail segments along the length of the River as well as some very recently available acquisitions which we are currently pursuing and intend to secure as quickly as possible.

We are proposing the development of trail segments (of varying lengths) for the headwaters, El Monte Valley, Lakeside, the City of Santee, and the City of San Diego and we are currently working closely with our partners to develop application for each segment. Partners include the Cleveland National Forest, the County of San Diego, the City of Santee, City of San Diego, the Endangered Habitats League, the San Diego River Park Foundation, the San Diego Bicycle Coalition and other members of the San Diego River Coalition. We are also currently working closely with the Department of Fish and Game and US Fish and Wildlife to address each of the many complex CEQA issues that have arisen to date.

Our Prop 40 application will also request funding for several newly available acquisitions we are currently pursuing. These include one exceptional two-mile long parcel (currently in bankruptcy court) and several parcels in El Monte Valley. We will also request funding for a conservation easement we are pursuing.

Previous Informal Plans for Remainder of Prop 40 River Parkway Funds

Since late April 2004, the City of San Diego has on more than one occasion presented status reports to the Governing Board on four to six potential acquisitions it has been pursuing. These were believed to represent the best, highest priority opportunities within the City for Prop 40 funding. In Sept 2004, the Governing Board gave its blessing to develop these potential acquisitions ASAP and voted to informally support any or all of the six parcels for potential future Prop 40 funding. To date, some of these acquisition efforts continue to be viable but are not yet ready for purchase. The Conservancy will continue contact with City real estate representatives and the landowners as appropriate. When and if the landowners become ready to sell, the Conservancy will be there to assist them.

Support BCPs for 2007

The Conservancy also plans to submit Support BCP requests for 2007.

Reimbursement Authority

The Conservancy plans to request increased Reimbursement Authority by way of the Budget Revision process, as needed.

The Conservancy further intends to aggressively pursue other additional appropriate federal, state, local, and private funding sources as they arise in the future. In addition, the Conservancy has also applied for several past sources of funding as summarized below.

- ***Federal Appropriation for FY 2006***
- ***Consolidated Grant***
- ***Prop 50 Integrated Regional Water Management Plan (IRWMP)***
- ***Southern California Wetlands Recovery Project (four proposals)***

Why Should Funds be Appropriated to the San Diego River Conservancy?

Strong Partner Support / Highly leveraged

A cooperative network of partners is already assembled that will strongly support the Conservancy's efforts and will ensure that the State's investment is highly leveraged to provide maximum conservation per dollar.

Demonstrated Need

The Conservancy's *Five Year Strategic and Infrastructure Plan* clearly documents and demonstrates the Conservancy's need for \$164.5 million over the upcoming five year planning period. This modest COBCP requests only a minute fraction of the total needed, but will result in an important early Conservancy success. In addition, a readily available flexible funding source is needed to cover the upfront costs of acquisitions, move rapidly in the market, and take advantage of limited windows of opportunity.

Specific-Purpose Prop 40 Funds Match Conservancy Needs

Prop 40 Section 5096.610(d) funds are limited to the conservation of Ag lands which is a high priority for the Conservancy. This is a good match of specific-purpose funding with a specific-purpose need. Appropriation of the remaining Ag land funds to the Conservancy would be an outstanding investment of the State's limited resources.

Strong Public Support

The Public has demonstrated strong support for the Conservancy, its mission, and Five Year Strategic and Infrastructure Plan and each of its four major programs and thirty implementing projects.

Allows Conservancy to Build Track Record / Demonstrate Value-Added

Appropriation of funds to the Conservancy will allow it to grow its much needed track record. The San Diego River Conservancy is anxious to move forward with projects of this nature because in addition to directly achieving its mission, they also help to cultivate the Agency's new track record. This Administration has provided an opportunity for the San Diego River Conservancy to demonstrate its ability to both obtain/spend dollars and to consummate projects within its jurisdiction efficiently.

The Conservancy is requesting these, and other funds, in order to demonstrate its capacity to secure and efficiently expend money, as well as to demonstrate its value-added (i.e., show the value of, and need for, this Conservancy to advance the statutory objectives and the community vision of protecting the special resources of the San Diego River).

Appendix 2

Five Year Strategic and Infrastructure Plan, 2006-2011

On March 24, 2006, the Governing Board of the San Diego River Conservancy (Conservancy) adopted its first “Five Year Strategic and Infrastructure Plan, 2006-2011” (Plan) (see endnote 4). Derived from the statutory objectives specified in the San Diego River Conservancy Act, the mission of the Conservancy as stated in the Plan is:

The mission of the San Diego River Conservancy is to further the goals of its enabling legislation (i.e., land conservation, recreation and education, natural and cultural resources preservation and restoration, water quality and natural flood conveyance), by conserving and restoring its land and water for the enjoyment of present and future generations. This mission will be accomplished in part by building, with our partners, a San Diego River Park and hiking trail stretching from the headwaters to the Pacific Ocean.

The Plan also defines the strategy by which the Conservancy will conduct its statutory mission during the upcoming five year planning period. Specifically, the Plan defines the Conservancy’s four major Program areas, each embodying one or more of the statutory objectives specified in the San Diego River Conservancy’s enabling statute, Public Resources Code, Division 22.9, Section 32630. The Conservancy’s four major Programs are:

- 1) Land Conservation;
- 2) Recreation and Education;
- 3) Natural and Cultural Resources Preservation and Restoration; and
- 4) Water Quality and Natural Flood Conveyance.

In addition, the Plan further defines a set of projects through which each Program will be implemented. In all, there are a total of thirty implementing projects.

Overview of COBCP Request Packet

The San Diego River Conservancy currently has a Capital Outlay Budget of \$0. In order to conduct its basic statutory mission, it is essential for the Conservancy to secure an adequate capital outlay budget of its own. The Conservancy respectfully requests the Agency’s and Department of Finance’s support in securing the capital outlay funds (and additional budget authority) needed by the Conservancy to conduct its statutory mission.

For your convenience, an overview table summarizing the Conservancy’s entire COBCP Request Packet is attached as **Table 1**. As shown, our overall Request Packet consists of seven COBCPs, four of which are programmatic each corresponding to one of the Conservancy’s four major Programs. The programmatic COBCPs request small appropriations from multiple sources of specific-purpose and general-purpose funding. Together the four programmatic COBCPs request a total of \$6.25 million of new capital outlay funding. The remaining three COBCPs do not request new funding, but request instead a specific change in our budget authority or budget language to provide additional capacity for the Conservancy to carry out its mission (while developing its track record and other reliable funding sources).

Table 1. Summary of Seven Conservancy COBCPs by Program, Funding Source, and Total Funding Request

<i>SDRC Program Number and Name</i>	<i>COBCP Number and Title</i>	<i>COBCP Priority</i>	<i>Approx Prop 40 Fund Request</i>	<i>Approx General Fund Request</i>	<i>Approx Bond Funds Request</i>	<i>Approx ELPF / Special Funds Request</i>	<i>Federal Trust Authority Request</i>	<i>Reapprop- of Remaining R. Parkway Funds after 06 /30/07</i>	<i>General Fund Loan Amount Request</i>	<i>Approx Total Program Funding Needed</i>
1. Land Conservation	07/08:01 Land Conservation	1	<i>Prop 40 Ag Lands \$1.4 Million</i>	<i>\$.6 Million</i>	<i>\$.25 Million</i>	<i>\$.25 Million</i>	—	—	—	<i>\$2.5 Million</i>
2. Recreation & Education	07/08:02 Recreation & Education	3	—	<i>\$.25 Million</i>	<i>\$.25 Million</i>	<i>\$.25 Million</i>	—	—	—	<i>\$.75 Million</i>
3. Natural & Cultural Resources Preserv & Restoration	07/08:03 Cultural & Historical Resources Preserv & Restoration	2	<i>Prop 40 Historical and Cultural Resources \$1.6 Million</i>	<i>\$.4 Million</i>	<i>\$.25 Million</i>	<i>\$.25 Million</i>	—	—	—	<i>\$2.5 Million</i>
4. Water Quality & Natural Flood Conveyance	07/08:04 Water Quality & Natural Flood Conveyance	4	<i>Prop 40 Beaches, Watershed, & Water Qual \$569,000</i>	—	—	—	—	—	—	<i>\$.5 Million</i>
—	07/08:05 Federal Trust Fund Authority	5	—	—	—	—	<i>1.2 Million</i>	—	—	—
—	07/08:06 Prop 40 River Parkway	6	—	—	—	—	—	<i>Up to \$7.8 Million</i>	—	—
—	07/08:07 General Fund Loan	7	—	—	—	—	—	—	<i>Up to \$5 Million</i>	—
Total	—	—	<i>\$3.5 Million</i>	<i>\$1.25 Million</i>	<i>\$.75 Million</i>	<i>\$.75 Million</i>	—	—	—	<i>\$6.25 Million</i>
